Tax-free import of commodities

1524. SHRI MATILAL SARKAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the commodities being imported tax-free under OGL, come to India from other countries free of any import tax;

(b) the commodities out of the above belonging to agricultural products and industrial products;

(c) the commodities being exported free of excise duties; and

(d) the imported commodities which are being sold at a cheaper rate than the country-made commodities?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI SATYABRATA MOOKHERJEE): (a) to (d) There are a number of freely importable commodities on which the tariff rate of basic customs duty is nil. Similarly, additional custom duty is nil on those commodities which are not excisable (all non-manufactured products) and also on those commodities on which the tariff rate of excise duty is nil as per the Central Excise Tariff Act, 1985 or where such products have been exempted from excise duty by notification issued under section 5A of the Central Excise Act, 1944.

Under Section 25 of the Customs Act, 1962, the Central Government is empowered to grant exemption from Customs duties in public interest. Accordingly, a number of notification have been issued which exempt a number of commodities from Customs duties including industrial as well as non-industrial products.

Any excisable goods can be exported without payment of excise duty in terms of Rule 19 of the Central Excise Rules, 2002 under Bond. Further, the Central Government also allows rebate of excise duty paid on the exported goods or of excise duty paid on the materials used in the manufacture of exported goods, in terms of Rule 18 of the Central Excise Rules, 2002. The price of a commodity is determined by the market forces and fluctuate vastly. Therefore, comparison of imported and domestic commodities is difficult to make.